

Funding Local Public Transportation

I. Metro

A. SORTA, early history

In 1969 the Southwest Ohio Regional Transit Authority was established by Hamilton County with Hamilton County as its jurisdiction. In 1971 SORTA proposed a property tax levy to County voters which was to be coupled with matching funds from the federal government to be used to purchase Cincinnati Transit, Inc. The proposal was the first of several unsuccessful attempts (1971, 1979, and 1980) to secure county-wide funding for the public transit system. In 1972-3 the City of Cincinnati successfully proposed a charter amendment on the ballot to raise the city earnings tax 0.3% for public transit purposes only, purchased the bus system and contracted with SORTA to run the transit system.

The most recent attempt to widen the funding base was the 2002 Metro Moves proposal for a regional bus and rail system. It failed, although there was support from Cincinnati voters.

B. SORTA, today

SORTA is a tax-supported political subdivision of the State of Ohio. SORTA is governed by a 13-member volunteer citizens' board of trustees. Seven trustees are appointed by the City of Cincinnati and six are appointed by Hamilton County Board of Commissioners. Trustees serve for three year terms. Hamilton County appoints three of its own trustees plus one each representing Butler, Clermont and Warren counties. SORTA operates Metro fixed-route and Access paratransit services in Hamilton County, in addition to providing commuter routes from Butler, Clermont and Warren counties. Bus service is provided primarily in the City of Cincinnati and some areas in Greater Cincinnati.

Regional transit service connects people and places, supports economic growth and expands quality of life choices. Metro's 2017 operating revenue and expenses totaled \$96.1 million. <http://www.go-metro.com/gettoknowmetro> The Metro fleet includes 357 buses, 54 Access paratransit vehicles (for origin-to-destination shared-ride public transportation service for people whose disabilities prevent them from riding Metro buses), 46 routes, and 21 Commuter Park and rides. There are about 850 employees most of whom are bus drivers and mechanics. One in 5 downtown workers commute on Metro and 50% of all Metro trips are work related. About 7,000 rides per day are provided to Cincinnati Public School and parochial school junior and senior high school students on school days.

C. System Improvements

Over the years, improvements were made to the bus service, including express service and bus rapid transit currently called Metro Plus. This limited stop service operates between Downtown, Uptown and Kenwood Road. Transit hubs have been established in the uptown area around the University of Cincinnati and Glenway Crossing with real-time updates, wayfinding and ticket vending machines. Electronic fare payment systems and a Cincy EZRide app. was created to attract new and existing riders.

D. Declining Ridership

From the early 1990s, ridership has declined from 28 million trips annually to 20 million in the early 2000s to the current 16 million rides. Fewer riders provide less revenue to cover expenses that have been increasing. Factors contributing to ridership decline include: large scale service reductions following the 2009 national economic struggles, movement of jobs outside the Metro service area, and technology such as autonomous vehicles and ride-share services (like Uber, Lyft and Zipcar).

E. Fares

The current fare for zone 1 within the City of Cincinnati is \$1.75 and \$2.65 for zone 2 in Hamilton County, outside City limits. There are other fare rates: an Access Card for ADA eligible people with disabilities, Fare Deal half-price fares for people 65 or older, School EXTRA services smart card pass for Cincinnati Public School students and Cincinnati State Discount and UC EZ Ride discount fares for eligible students and faculty. Metro's base fare is one of the lowest in the country and is the same as Dayton, Ohio. Other Ohio transit systems' fares range from \$2.00 in Columbus and Toledo to \$2.25 in Cleveland, which is a system that includes rail service.

F. "Reinventing Metro" Plan

Following several years of community discussions, economic studies and a Metro-assembled Futures Task Force of business and community leaders, the 2017 – 2021 strategic plan was unveiled: Reinventing Metro with the aim of attracting new riders, closing service gaps and funding challenges. The plan's objectives include: financial sustainability, more frequent service, longer hours of operation and shorter trip times. www.go-metro.com/reinventingmetro

G. Funding Crisis

1. State Funding

The State of Ohio provides limited support for transit service through allocations by the State Legislature from General Revenue funds, thus competing with other state priorities and obligations for state funds. Ohio falls near the bottom of the list of state support for transit. In

2000 the state allocated \$40 million to transit and in 2012 only \$7.3 million, a nearly 80% decrease, according to Ohio Department of Transportation Transit Needs Study. Federal funds requiring local matching funds are available only for capital expenditures such as purchase of buses to replace those that have reached a useful life of 12 years.

2. 2017 Budget & Action

According to a University of Cincinnati study, Metro's business funding model—which provides the least amount of state and local funding among peer agencies—is unsustainable.

A projected budget deficit in 2017 was avoided with adjustments that cannot be duplicated. The 0.3% of Cincinnati's 2.1% earnings tax does not sustain existing service. Without new money in the presence of increasing expenses, the transit authority will need to increase fares, and/or reduce service and/or seek new sources of revenue.

In June 2017 the SORTA Board voted to place a county-wide sales tax on the November 2018 ballot with the rate to be determined by February 2018 to fund implementation of the strategic plan. Under Ohio's new sales tax increments, each 0.1% increase in a sales tax above 0.5% would provide progressively advanced bus service including: increased service levels, new routes and route alignment changes, more frequent service, more weekend service, 24 hour service on major corridors, access service improvements for people with disabilities and new transit centers and park-and-rides. (View the Conceptual Plan at the Reinventing Metro site as well as the four studies and reports which led to the development of Reinventing Metro. www.go-metro.com/reinventingmetro)

3. 2018: Budget & Action

Metro's major sources of revenue in the 2018 budget include the earnings tax at \$56.4 million, fare revenue of \$17.7 million, federal and state revenue of \$14.6 million and contract services providing \$7.6 million. The largest expenses are personnel at \$70.7million, fuel at \$5.5 million and the Access contract at \$6.5 million.

The Metro bus system is projecting a \$14.5 million budget deficit in 2018 and a deficit which will increase over the next ten years. The SORTA Board has proposed a fare increase of \$0.15 added to each ticket which would produce about \$600,000 per year. That would support better fleet maintenance and purchase of new buses. Without additional revenue service cuts and other adjustments to the system would be needed. The last fare increase was in 2009. Public meetings about the fare increase have been held and any increase would need the approval of Cincinnati City Council before an increase could be implemented in June 2018.

The Cincinnati USA Regional Chamber of Commerce (www.cincinnati-chamber.com) and the Better Bus Coalition (betterbuscoalition.org) are two groups actively engaged in efforts to improve public transit in the Greater Cincinnati region and Hamilton County.

II. Cincinnati Bell Connector

The Cincinnati Bell Connector is Cincinnati's modern streetcar system. It travels a 3.6 mile loop connecting Cincinnati's riverfront at The Banks, Downtown and Over-the-Rhine. <http://cincinnati-bellconnector.com/index.php?page=route-and-station-stops> The City of Cincinnati owns the Connector, and SORTA manages the system under a contract with Transdev, a private operator of public transit. Fare options include a 2 hour pass for \$1.00 or a day pass for \$2.00. The Cincy EZRide app. can be used to pay fares for the Connector and Metro.

The system was opened in September 2016 and was built using grant funds: Federal Urban Circulator, Congestion Mitigation Air Quality (CMAQ) and economic development grants (TIGER) matched chiefly with City Property Tax Capital, Income Tax Capital, Tax Increment Financing, sale of Blue Ash property and other development fund revenue.

Ridership in 2017 has been about one-half the projections based on models. Now ridership projections can be based on Cincinnati's Streetcar actual performance. This rail transit has been mostly a weekend form of transportation with ridership at a Monday low of about 1,000 riders which increases over the week to 2,500 on Friday, over 4,300 Saturday and less on Sunday.

The major expense of the streetcar is for Transdev, the company hired by the City to run it. Operating expenses are paid by:

- Fares – about 14%
- Parking meter revenue - 37%
- Haile Funds - 37%
- Sponsorship, naming rights and advertising - 11%.

III. LWVCA Transportation Positions

- The LWVCA believes that local governments share the responsibility to assure the existence of an adequate mass transportation system.

- The LWVCA supports:
 - a publically owned transportation system for the Cincinnati Metropolitan area;
 - the establishment of a public transportation agency, such as an authority or a district, on as wide a geographic base as feasible; and
 - public ownership of a mass transit system, and opposes subsidies to privately-owned transit systems.

- The LWVCA prefers a nine-county base (Ohio, Kentucky, Indiana); the next most desirable would be a tri-county base; or at least one including all of Hamilton County.